



## **Victory Nickel Announces Drill Program at Mel Nickel Property** **Exploration to evaluate resource extensions to the north, south and down dip**

**Toronto, January 20, 2011** – Victory Nickel Inc. (the “Company”) (TSX:NI, [www.victorynickel.ca](http://www.victorynickel.ca)) today announced that preparations have begun for 3,500 metres of drilling at its 100%-owned Mel sulphide nickel project located approximately 25 kilometres northwest of Thompson, Manitoba.

The Mel project hosts an NI-43-101 resource (0.50% nickel cut-off grade, see news release dated February 26, 2007) as follows:

<b>Classification</b>	<b>Tonnes</b>	<b>Grade (%Ni)</b>	<b>Contained Ni (lbs.)</b>
Indicated	4,279,000	0.875	82,520,515
Inferred	1,010,000	0.839	18,676,476

The program will comprise eight drill holes to test for down-dip extension of the existing resource shell. The holes will be drilled to a vertical depth of between approximately 185m and 300m. Two additional holes will be drilled approximately 600 metres north of, and on strike with, the Mel deposit to assess prospective nickel results obtained from semi-massive sulphide mineralization returning 1.24% Ni over 2.41m in an earlier drill hole.

“This is Victory Nickel's first drill program at Mel since the expiry of Vale Canada Limited's back-in right so we can now test our own theories on the property,” said Paul Jones, Vice-President, Exploration. “The Mel Claims remain underexplored and we see potential to add to the resource on both the Mel Lease and the Mel Claims.”

The Mel Project consists of one mineral lease (the “Mel Lease”) covering approximately 750 Ha and 37 unpatented mineral claims (the “Mel Claims”), encompassing approximately 8,770 Ha. The Mel Lease contains the entire nickel resource and has been the focus of the bulk of past exploration.

Mineralization on the Mel Lease remains open along strike and at depth. The known resource is located between 46 and 183 metres, making low-cost ramp access for mining a possibility. This near-surface resource, along with an agreement that Vale shall mill ore mined from the Mel deposit at its cash cost plus 5% (provided that the product meets Vale's specifications and that Vale has sufficient mill capacity), makes near-term nickel production with a low capital requirement a possibility. Vale has a 10% net profits royalty.

The Mel property is considered to be a dislocated segment of the Thompson Nickel Belt. The larger group of Mel Claims is underlain by prospective stratigraphy that offers significant upside potential in all directions.

Victory Nickel's Qualified Person under the NI 43-101 guidelines is Paul Jones, Vice-President, Exploration. Mr. Jones has reviewed and approved the contents of this news release.

### **About Victory Nickel**

Victory Nickel Inc. is a Canadian company with four sulphide nickel deposits containing significant NI 43-101-compliant nickel resources. Victory Nickel is focused on becoming a mid-tier nickel producer by developing its existing properties, Minago, Mel and Lynn Lake in Manitoba, and Lac Rocher in northwestern Québec, and by evaluating opportunities to expand its nickel asset base. Victory Nickel also owns shares in Prophecy Resource Corp. (TSX-V: PCY) and Wallbridge Mining Company Limited (TSX: WM), the third largest landholder in the Sudbury Basin, which in turn owns approximately 13% of Duluth Metals Limited.

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# Mel Geology and Claims

